

Ministry of
Competition, Science and Enterprise

SERVICE PLAN
2002/2003 – 2004/2005



BRITISH
COLUMBIA

Ministry of
Competition, Science
and Enterprise

February 2002

For more information on the British Columbia
Ministry of Competition, Science and Enterprise, contact:

Communications Branch

PO BOX 9324
STN PROV GOV'T
VICTORIA, BC
V8W 9N3

or visit our Web site at
www.gov.bc.ca/cse

Published by the Ministry of Competition, Science and Enterprise

A New Era of Government Service

Three-year Service Plans represent an important part of the government's commitment to open and accountable government. In August 2001, the government amended the *Budget Transparency and Accountability Act* to require government to table a three-year Strategic Plan and annual three-year service plans for ministries and government organizations with the provincial budget. These Plans will ensure government and its individual ministries clearly outline their goals, and enable British Columbians to hold government accountable for its decisions and actions.

The government's Three Year Strategic Plan articulates the government's vision: *British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future.* It also establishes three strategic goals that are key to achieving the government's overall vision:

- A strong and vibrant provincial economy
- A supportive social infrastructure
- Safe, healthy communities and a sustainable environment

This Service Plan details the Ministry's mission and objectives, which support the government's strategic goals. The Service Plan also includes performance measures that will be used to assess the Ministry's progress in achieving its objectives. Ministry objectives and performance measures are a new initiative. In some cases, as planning progresses, performance measures will become more detailed as they are further developed.

After the end of each fiscal year, the ministry will prepare a Service Plan Report that will describe actual accomplishments for the year just completed. The Report will include a comparison of planned and actual results, from both a financial and performance measure perspective and allow the public to assess the government's performance.

In the years ahead, Service Plans and Service Plan Reports, prepared by government ministries and organizations, will become the key tool by which government will manage public resources to ensure government programs are contributing, in a measurable way, to key government priorities in an efficient and effective manner.

The government's three-year Strategic Plan and Ministry three-year Service Plans will guide the reform of the province's public services so they meet British Columbians' needs. Measures to revitalize economic prosperity and protect and renew public services will lay the groundwork for a future of new opportunity for all British Columbians.

Accountability Statement



Ministry of Competition, Science and Enterprise



The 2002/03 – 2004/05 Ministry of Competition, Science and Enterprise Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. The plan was developed in the context of the government's *New Era* commitments which are to be addressed by May 17, 2005. All material fiscal assumptions and policy decisions as of January 28, 2002 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

A handwritten signature in black ink, reading "Rick Thorpe".

Honourable Rick Thorpe
Minister of Competition, Science and Enterprise

February 7, 2002

Accountability Statement Minister of State



I am the Minister of State for Deregulation and under the *Balanced Budget and Ministerial Accountability Act*, I am accountable for achieving the following result for 2002/03:

- achieving a 12 per cent reduction of regulatory burden.

A handwritten signature in black ink, appearing to read 'Kevin Falcon', written over a horizontal line.

Honourable Kevin Falcon
Minister of State for Deregulation

February 6, 2002

VIII

TABLE OF CONTENTS

Strategic Context	1
Vision Statement	1
Mission Statement	1
Values	1
 Planning Context	 2
External Indicators	2
Technology and Science Sectors	2
Tourism	2
Film and Television Production	3
Small Business	3
Exports	3
Internal Issues	3
 Goals and Core Business Areas	 4
 Appendix 1 Ministry Goals and Core Business Areas	 5
Goal #1: Establish a Competitive Investment Climate	5
Goal #2: Promote Economic Growth	7
Goal #3: Innovation, Science and Technology Transfer	8
 Appendix 2 Performance Measures and Targets	 9
Goal #1: Establish a Competitive Investment Climate	9
Goal #2: Promote Economic Growth	11
Goal #3: Innovation, Science and Technology Transfer	12
 Appendix 3 Links to Government Priorities	 13
<i>New Era</i> Commitments	13
Key priorities as set out in Premier's letters to the ministers	14
 Appendix 4 Ministry Resources	 15
Human Resource Management Plan	15
Information Resource Management Plan	16
Budget and FTE Resources	17

Strategic Context

Vision Statement

The Ministry's vision echoes two key elements of the government's vision statement:

- a thriving private sector economy that creates high-paying job opportunities; and
- the fastest growing technology industry in Canada.

Mission Statement

The Ministry's mission is focused on three areas:

Competition

Ensure British Columbia has the most attractive investment and business climate in North America.

Science

Encourage a culture of innovation and the development and transfer of new knowledge benefiting individuals, businesses and communities.

Enterprise

Promote economic growth by aggressively pursuing increased marketing of British Columbia that results in the growth of investment and trade.

Values

The Ministry of Competition, Science and Enterprise is focused on establishing and expanding partnerships with entrepreneurs, businesses and organizations throughout British Columbia in order to build a strong private sector driven economy; foster an innovation culture for science and technology; and develop national and international investment and trade relationships.

We are advocates within government for entrepreneurs and business, and marketers of our competitive economic climate to national and international investors in the global marketplace.

Our Ministry believes in customer service. We will be a results driven organization that measures performance at both the global and individual level.

Planning Context

External Indicators

The effects of the rapid onset of an economic slowdown together with the events of September 11, 2001 caught many analysts by surprise. This has led to a great deal of uncertainty as to the future of the North American and global economies. Scenarios range very widely from:

- an early return to the strong growth seen in the late 1990s accompanied by significant progress in the war against terrorism and an improved sense of economic and physical security in consumers; to
- a period of prolonged economic stagnation as business and consumer confidence are eroded by business failures and restructuring, decreased employment prospects and continued terrorist threats.

The provincial government is now forecasting growth of 0.7 per cent for 2001 and 0.6 per cent for 2002.

Government announced a number of personal and business tax reductions during the summer of 2001. These included:

- A 25 per cent cut to personal income taxes.
- General corporate income tax rate cut by three full percentage points to 13.5 per cent effective January 1, 2002.
- Eliminated the seven per cent provincial sales tax on production machinery and equipment purchased by eligible manufacturers and businesses.
- A new 20 per cent mining flow through share tax credit.

- Corporate capital tax cut in half to 0.15 per cent and will be eliminated on September 1, 2002.

These initiatives are designed to enhance British Columbia's competitive position in the medium and long term.

Technology and Science Sectors

The technology sector experienced significant economic growth in recent years and in 2000 contributed \$3.8 billion or 3.9 per cent to the provincial Gross Domestic Product (GDP).

The science sector, including the pharmaceutical and biotechnology industries, has also seen significant economic growth in recent years.

While the recent economic decline has had an impact on the technology and science sectors, forecasts predict these sectors will continue to see double-digit growth.

Tourism

In 2000, tourism in British Columbia was a \$9.5-billion industry comprised of more than 17,000 tourism businesses located throughout the province.

Early 2001 saw rising visitorship and revenues. However, after September 11, there has been a drop in air travel and tourism. While the forecast for 2002 is for 10 to 15 per cent less air travel, recovery of recent losses is expected by late 2002 or early 2003.

Film and Television Production

In 2000, film and television production topped the \$1 billion mark, with domestically owned and controlled production rising 18 per cent to \$354 million. The industry now employs 50,000 people.

With recent and future taxation, regulatory and labour changes in British Columbia, combined with a very skilled labour force, diversity of geographic locales and a view towards "closer to home" productions from the Hollywood community, the industry is well positioned for continued growth.

Small Business

Small businesses account for 98 per cent of all businesses in British Columbia and create 58 per cent of all new private sector jobs. British Columbia's small businesses account for 28 per cent of GDP, the highest proportion of any province in Canada. The small business sector is also leading the province's shift to the new economy with

the highest growth in the services and technology areas.

The small business environment is becoming increasingly complex with changing technologies, the rapid growth of the Internet and a competitive global marketplace. Recruiting and training staff and securing needed financing continue to be challenges for this sector.

Exports

Sixty-six per cent of total exports from British Columbia are shipped to the United States. Japan remains our second largest export market, with 15 per cent of our exports.

Real exports to all destinations are expected to increase by 1.4 per cent in 2001. This is lower than the three per cent forecast in March 2000, due to slower growth in the North American and Far East markets. Slow growth, combined with the effects of September 11, necessitate a focused and disciplined approach to increasing economic competitiveness in order to harness future opportunities.

Internal Issues

The major internal focuses of the Ministry over the next three years include:

- refocusing Ministry efforts on customer service;
- becoming a challenger of the status quo within our Ministry and in other agencies of government; and

- overcoming challenges associated with retirements in the public service and transferring corporate knowledge.

With a focused, results based, customer driven approach the Ministry will need to harness all of its strengths to implement the many changes in philosophy, structure and relationships while delivering on its commitments to British Columbians.

Goals and Core Business Areas

The Ministry's goals and core business areas are attached as Appendix 1 to this document. Broad economic outcomes, performance measures and targets are attached as Appendix 2. Outcomes reflect the performance of British Columbia as a whole. The Ministry's activities, in partnership with other stakeholders, influence these indicators.

Consistency with Government Strategic Plan and Premier's Letters to Ministers

A matrix outlining this plan's relationship to the government's strategic plans and the Premier's letters to ministers is attached as Appendix 3 to this document.

Resources Allocated to Objectives

Information regarding resources allocated to the objectives outlined in this business plan is attached as Appendix 4 to this document.

Appendix 1 — Ministry Goals and Core Business Areas

Goal #1: Establish a Competitive Investment Climate

Core Business	Objectives	Strategies
Removing Barriers to Business	Cut regulations to business and forestry industry by one-third in three years	■ Oversee, measure and ensure results on the government-wide regulatory reduction process and work with Ministry of Forests on plan for forest regulation reduction on a timely basis. ■ Working with tourism industry, communities and stakeholders, streamline process for permits and land access and use to ensure long-term sustainability. ■ Review fees and licence policy to ensure efficiency and effectiveness. ■ Develop streamlined provincial permitting system for film locations.
	Eliminate subsidies to business	■ Establish framework and principles for review. ■ Comprehensive cross-government review of all potential subsidy programs. ■ Promote individual Ministry accountability for implementation. ■ Monitor implementation; provide ongoing policy advice on new proposed measures.
	Become national leader in open and free trade	■ Fully comply with the interprovincial Agreement on Internal Trade. ■ Consult, identify and push to remove internal and international trade barriers. ■ Initiate discussions with Canadian jurisdictions on further actions to remove trade barriers.

Goal #1: Establish a Competitive Investment Climate *(continued)*

Core Business	Objectives	Strategies
	Improve physical and human infrastructure which supports growth	■ With the Ministry of Community, Aboriginal and Women's Services, implement six-year, \$800-million Canada-British Columbia Infrastructure Program. ■ Implement the Western Economic Partnership Agreement — includes institutional infrastructure for innovation and emerging sectors. ■ Seek approval to negotiate successor Western Economic Partnership Agreement with the federal government. ■ With Ministry of Skills, Development and Labour and Ministry of Advanced Education, develop a multiyear workforce planning strategy. ■ With Ministry of Skills Development and Labour, develop a multiyear youth employment strategy.
Economic policy and strategic advice	Increased regional and sectoral economic development	■ Ensure taxation, regulatory and labour policies are competitive. ■ Remove barriers to advancing key government projects and initiatives. ■ Partner with private sector to leverage public benefits. ■ Provide advice to organizations and communities. ■ Ensure tourism interests are considered in northern and regional policy decisions.

Goal #2: Promote Economic Growth

Core Business	Objectives	Strategies
Marketing and Investment	Increase awareness of the <i>New Era</i> for British Columbia – “Open for Business”	■ Work with the private sector on strategies for “Branding British Columbia.” ■ Work with Invest British Columbia and other internal and external partners to develop international marketing strategies and a comprehensive campaign targeted at priority markets and sectors. ■ Organize/support missions to priority markets. ■ Support incoming missions and delegations, principally by identifying appropriate British Columbia companies, technology and expertise.
	Market opportunities in British Columbia’s strategic industries/sectors	■ Identify, market and promote British Columbia enterprise and technologies. ■ Work with industry associations and organizations and governments on sectoral marketing initiatives, as well as initiatives that may cross sectors. ■ Link British Columbia companies to key companies from priority markets. ■ Develop a global marketing strategy to promote British Columbia to international tourism, film and television industries. ■ Work with financial community to ensure capital is available at all levels to support investment and growth.

Goal #3: Innovation, Science and Technology Transfer

Core Business	Objectives	Strategies
Encouraging innovation and the development and transfer of new knowledge	Rebuild the national and international competitiveness of British Columbia's science and technology base	■ Make British Columbia a magnet for attracting and retaining technology and science researchers. ■ Leverage public assets and create an economic climate that stimulates the growth of infrastructure and attracts strategic investments in science, technology and telecommunications. ■ Lead and co-ordinate interprovincial, national and international science, technology and telecommunications issues. ■ Consolidate and rationalize British Columbia government science and technology activities. ■ Lead in bringing educational institutions and private sector together for research, development and commercialization.
	Promote technology investment, transfer and commercialization	■ Encourage development of important new technologies. ■ Work with universities, entrepreneurs and venture capital markets to increase technology commercialization in British Columbia. ■ Promote adoption of new knowledge in existing and emerging industries. ■ Implement Premier's Technology Council plan to bridge the digital divide.

Appendix 2 — Performance Measures and Targets

Goal #1: Establish a Competitive Investment Climate

Outcomes: Increased provincial Gross Domestic Product.

Reduced cost of doing business.

Increased number of net new businesses.

Increased economic growth in key strategic sectors and regions.

Increased employment.

Core Business	Performance Measures	Performance Target 2002-2003	Performance Target 2003-2004	Performance Target 2004-2005
Removing Barriers to Business	Reduction of regulatory burden by one-third using Cabinet approved measurement process.	■ 12 per cent.	■ 15 per cent.	■ six per cent. ■ Assess what further gains can be made.
	Eliminate subsidies to business.	■ Business subsidies reviewed and ended.	■ Ongoing monitoring.	■ Ongoing monitoring.
	Review all fees and licences and set goals.	■ Complete review of all existing fees and licences. ■ Establish policy for review of new fees and licences.	■ Monitor and review all new fee and licence applications.	■ Monitor and review all new fee and licence applications.
	Achieve full compliance with interprovincial Agreement on Internal Trade.	■ Fully comply with AIT. ■ Consult with private sector to drive further removals of trade barriers.	■ Lead discussions in reduction of further barriers.	■ Lead discussions in reduction of further barriers.

Goal #1: Establish a Competitive Investment Climate (*continued*)

Outcomes: Increased provincial Gross Domestic Product.

Reduced cost of doing business.

Increased number of net new businesses.

Increased economic growth in key strategic sectors and regions.

Increased employment.

Core Business	Performance Measures	Performance Target 2002-2003	Performance Target 2003-2004	Performance Target 2004-2005
	Implement federal-provincial infrastructure and partnership agreements.	■ Allocate fiscal year funding to provincial, federal and municipal priorities. ■ Negotiate further agreements.	■ Allocate fiscal year funding to provincial, federal and municipal priorities. ■ Negotiate further agreements.	■ Allocate fiscal year funding to provincial, federal and municipal priorities. ■ Negotiate further agreements.
Economic policy and strategic advice	Competitive key indicators in taxation, regulatory and labour policies.	■ Establish key competitiveness indicators and targets. ■ Advocate within government for increased competitive taxation, regulatory and labour policies.	■ Monitor key competitiveness indicators. ■ Advocate within government for increased competitive taxation, regulatory and labour policies.	■ Monitor key competitiveness indicators. ■ Advocate within government for increased competitive taxation, regulatory and labour policies.
	Develop economic strategies.	■ Work with private sector groups to develop strategies with performance measurements.	■ Achieve measures set by private sector and government.	■ Achieve measures set by private sector and government.

Goal #2: Promote Economic Growth

Outcomes: Increased private sector investment.
Increased exports of goods and services.
Increased economic growth in key strategic sectors.

Core Business	Performance Measures	Performance Target 2002-2003	Performance Target 2003-2004	Performance Target 2004-2005
Marketing and Investment	International awareness of British Columbia as a competitive investment location.	■ Develop a marketing strategy and a "brand." ■ Baseline awareness of "British Columbia Brand" in key markets.	■ Set and achieve improvements in baseline awareness of "British Columbia Brand."	■ Set and achieve improvements in baseline awareness of "British Columbia Brand."
	Utilization and satisfaction with Ministry's products and services.	■ Work with private sector to develop focused marketing strategies with performance measures.	■ Meet yearly targets set with industry.	■ Meet yearly targets set with industry.

Goal #3: Innovation, Science and Technology Transfer

Outcomes: Increased number of private sector companies in technology sector.
Increased academic and private sector research and development.
Increased number of researchers working in academia and industry.
Increased number of communities connected to high-speed networks.

Core Business	Performance Measures	Performance Target 2002-2003	Performance Target 2003-2004	Performance Target 2004-2005
Encouraging innovation and the development and transfer of new knowledge	Number of patents, licences and spinoff companies.	■ 10 per cent growth.	■ 10 per cent growth.	■ 15 per cent growth.
	Implementation of the Premier's Technology Council plan for bridging the digital divide.	■ Establish initial targets.	■ Begin implementation of plan - 25 per cent completion by year end.	■ Achieve second year targets.

Appendix 3 — Links to Government Priorities

New Era Commitments

Government Priority

Within 90 days initiate commitment to eliminate government subsidies to businesses that give companies an unfair advantage over their competitors.

Within 90 days initiate a commitment to establish a new Premier's Council on Technology.

Cut "red tape" and regulatory burden by one-third within three years.

Stimulate tourism with a plan to improve operators' ability to successfully compete for visitors from around the world.

Work to extend high-speed broadband Internet access to every community in British Columbia through wireless technology, cable, phone lines and fibre optics.

Use public assets, including roads, railways and power lines to leverage rapid growth in communications infrastructure and broadband capabilities.

Push to eliminate interprovincial trade barriers.

Ministry Response/Comments

Included as a core business, initial commitment met. Elimination of subsidies complete in 2002, followed by ongoing monitoring of competitive position.

Ministry is supporting Premier's Office in this initiative. Council has been established. First report tabled November 22, 2001.

Deregulation is a core business of the Ministry. The goal of one-third reduction will be met.

Ministry is working with Tourism British Columbia to develop a multi-year strategic plan for tourism.

This is key element of our innovation, science and technology transfer commitment, and is one on which we will work with the private sector, communities and the federal government.

This is a cross-ministry goal in conjunction with Sustainable Resource Management and Transportation ministries.

The Ministry's objective is to work with other government partners to help the province become a national leader in open and free trade.

Key priorities as set out in Premier's letters to the ministers

Government Priority

Take the lead role in ensuring our tax, regulatory and labour environment is consistent with the new economy.

Consolidate and rationalize scientific activities within the government, working with the Ministry of Advanced Education.

Review the policy for fees and licences.

Support the Premier's Council on Technology.

Ministry Response/Comments

The business subsidy review, deregulation initiative and fees and licence review are the first steps of this task. Following completion of government's Core Services Review process, this will be a priority of the Ministry.

Work has begun and we will be working together with the Ministry of Advanced Education.

Initial ministerial review completed by February 27, 2002. Ministry will maintain ongoing watch on new fee and licence proposals.

The Council has been established. The Ministry will provide government leadership and results.

Appendix 4 — Ministry Resources

Human Resource Management Plan

Goal	Objective	Strategy	Performance Measures
Timely and relevant human resource management services in support of ministry mandate and consistent with government-wide standards.	Efficient human resource management consistent with best practices.	■ Provide services, including: organizational design, development and implementation; recruitment and selection; job evaluation; performance management; employee learning and development, labour relations; succession planning; and employment equity.	■ Same-day responses to HR-related inquiries 100 per cent of the time. ■ 100 per cent satisfaction rating from managers receiving human resource services.
Workforce Adjustment — efficient and fair management of our staff.	Implement workforce adjustment program.	■ Identify redundant and surplus positions. ■ Identify succession planning implications of severance, early retirement and employee movement. ■ Complete the workforce adjustment process.	■ Achieve budget goals.
Clear performance management for every employee.	Evaluation of employees against known performance goals and measures.	■ Make employees aware of Ministry, division and branch plans and performance measures. ■ Establish personal objectives in support. ■ Establish performance management system that encourages participation, initiative and growth.	■ 100 per cent of employees have an annual performance plan and review each year by February 28. ■ 100 per cent of branches complete development plans each year by March 31.

Information Resource Management Plan

Executive Summary

In order to effectively carry out its mandate the Ministry of Competition, Science and Enterprise recently completed the migration of desktop systems from older computing technologies to the new Government Standard Windows 2000 platform.

Business Directions

The Ministry is working towards improving the accessibility and timeliness of information to the public and to industry through the use of Internet technology. The Small Business Branch has developed the "One Stop Business Registration" system, and is developing the "Single Change of Business Address" system. A future project, for which funding has been requested, is the "Single Business Number" system. Also, the Ministry has undertaken steps to improve efficiency in line with the Government Electronic Initiative, a program to maximize the efficiency of services throughout government using information technology.

Current Environment

The current technology architecture, which is shared with the Ministry of Energy and Mines, is based on a Windows 2000 platform using the MS Office 2000 suite for standard tools.

Target Environment

During this fiscal year the Ministry plans to complete the upgrade of all Ministry servers, including those in regional offices, to a Windows 2000 environment.

Strategies

Proposed strategies include:

- ensuring all employees are computer program knowledgeable and use Internet and intranet technology;
- enhancing the availability of Ministry information via Internet and intranet technology;
- reviewing business processes to ensure services provided are consistent with clients' requirements, and utilizing electronic interfaces where appropriate;
- bringing all remaining servers up to the government standard Windows 2000 platform; and
- developing all new multi-user databases in Oracle.

Progress towards Corporate Standards

The Ministry has been highly successful in making progress towards meeting government standards, particularly in the areas of electronic mail, Web site standards and desktop office software. All new multi-user databases are to be developed using Oracle database software.

Resources

For the 2002/03 fiscal year the Ministry has 17 Information System Level personnel covering systems services, technical and network services as well as business systems and application services. There are two Information System Managers. All of these personnel are with the Information Management Branch.

This Branch also provides systems services for a number of external organizations including the Ministry of Energy and Mines, the Oil and Gas Commission, the Premier's Office in Vancouver and the Columbia Power Corporation.

Budget and FTE Resources

SUMMARY EXPENDITURE PLAN				
Core Businesses	2001/02 Restated Estimates	2002/03 Estimates	2003/04 Plan	2004/05 Plan
Operating Expenditures (\$000)				
British Columbia Trade and Investment Office	15,319	11,371	10,562	10,195
Economic Policy	8,053	6,040	5,637	6,234
Science and Technology	23,040	17,300	16,142	19,545
Corporate Services*	22,442	18,469	17,156	9,218
Deregulation	500	500	500	0
Totals	69,354	53,680	49,997	45,192
FTEs				
Direct	284	202	152	101
Capital (Consolidated Revenue Fund) (\$000)				
British Columbia Trade and Investment Office	751	714	699	630
Economic Policy	233	150	80	80
Science and Technology	40	30	30	30
Corporate Services	273	205	177	177
Deregulation	6	6	6	6
Totals	1,303	1,105	992	917

*Includes the British Columbia Pavilion Corporation and the Northern Development Fund